California Enterprise Zones and Other Economic Development Areas

Department of Housing and Community Development

As of May 10, 2007 Shasta Valley Eureka* Shasta* OTHER ECONOMIC DEVELOPMENT AREAS TARGETED TAX AREA TULARE COUNTY BUSINESS INCENTIVE ZONE Oroville* MANUFACTURED ENHANCEMENT AREAS Yuba Sutter* CALEXICO Northern* (Sacramento) West Sacramento **LOCAL MILITARY BASE RECOVERY AREAS** Florin Perkins (Sacramento) Army Depot (Sacramento) ALAMEDA POINT CASTLE AIRPORT ● Richmond* Stockton San Francisco Pittsburg MARE ISLAND Oakland MATHER/MCCLELLAN SAN BERNARDINO INTERNATIONAL AIRPORT AND TRADE Stanislaus CENTER San Jose* Merced* SAN DIEGO NAVAL TRADE CENTER SOUTHERN CALIFORNIA LOGISTICS AIRPORT Madera Watsonville **TUSTIN LEGACY** ● Fresno City* Fresno County* Enterprise Zones * Conditionally-Designated Enterprise Zone Lindsay Kings County Delano* Shafter Los Angeles (Eastside) Los Angeles* Antelope Valley Santa Clarita* Barstow Pasadena Los Angeles (Harbor) Southgate/Lynwood* ● San Bernardino³ Compton* Long Beach Santa Ana Coachella* DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT **DIVISION OF FINANCIAL ASSISTANCE** 1800 3RD STREET, SUITE 390, SACRAMENTO, CA 95814 San Diego* Imperial Valley (916) 322-1560 www.hcd.ca.gov Calexico* Version 05-07

Economic Development Areas

Purpose	Assistance Type
Stimulate business investment and job creation for disadvantaged individuals in state-designated economically distressed areas of California.	 A wide range of state and local incentives designed to help businesses succeed and expand. State income tax-based incentives include: Hiring credits of \$36,660 or more for each qualified employee hired over a five-year period; Sales tax credits on purchases of up to \$20 million per year's worth of qualified machinery and parts; Up to 100 percent net-operating-loss deduction and 15-year carryforward: Up-front expensing of certain depreciable property; and Net interest deductions for lenders to zone businesses.
Terms	Eligible Applicants
Zones are in effect for 15 years from the date of designation.	Companies engaged in a trade or business within a designated zone are eligible for incentives. Communities seeking zone designation are scored competitively on their marketing strategies and development plans, financing programs, economic distress indicators and other similar criteria.
Eligible Activities	Application Procedure
Incentives support the establishment, expansion and retention of businesses within designated zones. Eligible business activities include capital investment, lending, hiring and job retention. Types of zones include enterprise zones (EZs), Targeted Employment Areas (TEAs), Targeted Tax Areas (TTAs), Manufacturing Enhancement Areas (MEAs), and Local Agency Military Base Recovery Areas (LAMBRAs).	To claim incentives, businesses apply through local zone managers or the state income tax process. To receive zone designation, eligible communities apply to HCD during open application rounds.